From: Cassidy, Peter (SEC) < Peter. Cassidy@state.ma.us>

**Sent:** Thursday, December 9, 2010 2:46 PM **To:** PosLimits < PosLimits @CFTC.gov>

**Subject:** Office of the Secretary of the Commonwealth of Massachusetts

**Attach:** CFTC0001.pdf

From: Cassidy, Peter (SEC)

Sent: Thursday, December 09, 2010 2:23 PM

**To:** 'dstawick@cftc.gov' **Cc:** Lantagne, Bryan (SEC)

Subject: Office of the Secretary of the Commonwealth of Massachusetts

## Dear Secretary Stawick:

I have enclosed a letter from Secretary of the Commonwealth William F. Galvin to the U.S. Commodity Futures Trading Commission regarding the Commission's adoption of speculative position limits for energy-related commodities as mandated under the Dodd-Frank Act.

Please e-mail me, or call Bryan Lantagne, the Director of the Massachusetts Securities Division, or myself at (617) 727-3548, if you have questions or we can assist in any way.

Sincerely, Peter Cassidy Attorney Massachusetts Securities Division (617) 727-3548



## The Commonwealth of Massachusetts Secretary of the Commonwealth State House, Boston, Massachusetts 02188

December 9, 2010

William Francis Galoin Secretary of the Commonwealth

Secretary David A. Stawick U.S. Commodity Futures Trading Commission Three Lafayette Center 1155 21<sup>st</sup> St. NW Washington, DC 20581

Re: Adoption of Speculative Trading Limits for Energy Commodities

Dear Secretary Stawick,

As the chief securities regulator for Massachusetts, I am writing in support of the Commodity Futures Trading Commission's ("CFTC") work to adopt speculative trading position limits for trading in energy and metal commodity contracts, as required under the Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act").

The Dodd-Frank Act reflects the concerns of the Congress and many American citizens about the distortive impact that excessive commodity speculation has on the commodities markets, particularly the energy markets. This issue is of particular concern to states such as Massachusetts where winter heating fuels are an annual concern. This season we have already seen a significant and rapid increase in the cost of home heating oil. The Act sets an early deadline, January 17, 2011, for the CFTC to enact such speculative trading position limits. These limits should be strong enough to control excessive speculative trading in the markets, and the only valid exemptions should be for *bona fide* hedging by users of these commodities. If the Commission fails to act in a timely way or fails to adopt strong position limits, markets and consumers will be vulnerable to excessive commodity prices and volatility arising from speculative trading activity.

The fragile economic recovery we are now experiencing might also be stunted if as a result of speculation the price of gasoline and other essential commodities is driven so high as to rob consumers and businesses of income and revenue which would support economic expansion.

The Massachusetts Securities Division and the Commission share goals of protecting investors, markets, and consumers. To achieve these goals, I urge the Commission to adopt these limits by the deadline set in the Dodd-Frank Act and to scrutinize market conduct.

Sincerely,

William Francis Galvin

Secretary of the Commonwealth

cc: The Honorable Barney Frank